

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 EUR-25 DRC-01 /154 W  
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P R 060643Z JUN 74

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC PRIORITY 9334

INFO AMEMBASSY BANGKOK

LIMITED OFFICIAL USE VIENTIANE 4483

E.O. 11652: N/A

TAGS: ECON, LA

SUBJ: WEEKLY ECONOMIC SITUATION REPORT: MAY 29-JUNE 4, 1974

1. FOLLOWING INCREASED PRICES OF MEATS IN APRIL IN USAID  
COST OF LIVING INDEX HAS CONTINUED TO FLUCTUATE SLIGHTLY AT A  
LEVEL ABOUT 33 PERCENT HIGHER THAN END-1973. JUNE 3 WAS 33.3  
PERCENT HIGHER.

2. MODERATE FOREIGN EXCHANGE SALES TOTALLED \$877,000 FOR THE  
WEEK.

3. THE XAT LAO OF MAY 30 REPORTED STATEMENT BY KYKEO KITTIKOUN,  
D.G. OF NATIONAL ECONOMY, THAT DUE TO DOMESTIC SHORTAGES OF  
LUMBER AND DEPLETION OF STANDS OF PREMIUM TIMBER, GREATER  
RESTRICTION WOULD BE PLACED UPON THE EXPORTATION OF LUMBER AND  
LOGS, WITH UNSPECIFIED NEW PROCEDURES EFFECTIVE JULY 1. LOG  
EXPORTS, (WHICH COMPRISED 55 PERCENT OF VALUE OF AUTHORIZED  
WOOD EXPORTS JAN-MAR 1974) WILL BE PROHIBITED. COMMENT: THERE  
IS A NOTICEABLE INCREASE IN VOLUME OF WOOD BEING EXPORTED FROM  
VIENTIANE, ESPECIALLY LOGS, AS LUMBERMEN RACE THE DEADLINE.  
THE PGNU ACTION FOLLOWS REPEATED DECLARATIONS AND ATTEMPTS BY  
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GOVERNMENT WITH THAI CUSTOMS ASSISTANCE TO CONTROL LUMBER

EXPORTS IN RESPONSE TO LAO STUDENT AND PRESS CRITICISM  
OF EXCESSIVE AND WASTEFUL LUMBERING PRACTICES. EFFECTIVENESS OR  
SERIOUSNESS OF ACTUAL IMPLEMENTATION OF THIS MEASURE CANNOT BE  
FORECAST AT THIS TIME.

4. XAT LAO JUNE 4 REPORTED THE INITIAL BROADCAST OF THE PROGRAM  
"MEETING WITH THE FARMERS" WAS A SPEECH BY SOTH PETRASY IN WHICH  
HE SAID THE POLICY OF PRINCE SOUPHANNOUVONG BASING ECONOMIC  
DEVELOPMENT UPON THE DEVELOPMENT OF THE AGRICULTURAL AND  
FORESTRY SECTORS IS THE ONLY WAY TO ASSIST 80 PERCENT OF THE LAO  
POPULATION, AND NECESSARY BEFORE MOVING INTO INDUSTRIALIZATION.  
SOTH INDICATED HE DESIRED INCREASED ACTIVITY BY AGRICULTURAL  
CADRE AND NEED FOR GREATER USE OF FERTILIZER.

5. THE BUDGET DIRECTOR INDICATED THE DETAILS OF THE FY 75 BUDGET  
OF 37,046 MILLION KIP WILL BE PRESENTED UPON RETURN OF THE  
MINISTER OF FINANCE LATER THIS WEEK. HE FURTHER SAID HE CAN-  
NOT WAIT LONGER FOR RECEIPT OF A PROPOSED LPF INPUT TO THE  
BUDGET. STILL IN QUESTION ARE FUNDING OF SALARIES FOR LPF CAB-  
INET STAFF, AND JNPC BUDGET. JNPC HAS REQUESTED KIP 300  
MILLION BUDGET AND COMPENSATION OF MEMBERS ON PAR WITH CABINET9

6. IN PREPARATION FOR A REPORTED MEETING WITH A SOVIET  
REPRESENTATIVE (APPARENTLY BEFORE END OF THE WEEK), SOTH  
PETRASY REQUESTED MIN NATIONAL ECONOMY AND PLAN TO PROVIDE  
HIM POSSIBLE AREAS IN WHICH SOVIET ECONOMIC AID WOULD BE  
USEFUL AND OF IMPORT ITEMS WHICH COULD BE PROVIDED MORE CHEAPLY  
BY THE SOVIETS. INITIAL REQUEST WILL PROBABLY FOCUS ON SOVIET  
ABILITY TO PROVIDE COMMODITIES SUCH AS POL, CONSTRUCTION  
MATERIAL (REBAR, WIRE), TRUCKS, FARM EQUIPMENT (TRACTORS, PUMPS)  
AND FERTILIZER. WE SHALL FOLLOW-UP AND REPORT FURTHER.

7. DR. FISHER, OPERATIONS MANAGER FOR ADB, VISITED LAOS DURING  
WEEK TO ASCERTAIN PGNU ATTITUDE RE CONVENING DONKORS GROUP MEETING  
IN PARIS IN JULY. PREVIOUS IBRD VISITOR HAD FELT PGNU NOT  
ENTHUSIASTIC; HOWEVER DR. FISHER RECEIVED STRONG, UNSOLICITED  
REQUEST FROM PRIME MINISTER AND FROM MINISTER NATIONAL ECONOMY  
TO PERSUADE IBRD TO CONVENE MEETING IN PARIS THIS JULY.

8. DECONTROL FOLLOWING 6/5/75.  
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WHITEHOUSE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, LUMBER, ECONOMIC REPORTS, FOREIGN EXCHANGE, MEATS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** smithrj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Executive Order:** N/A  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** smithrj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 APR 2002 by cunninfx>; APPROVED <24 FEB 2003 by smithrj>  
**Review Markings:**

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EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** WEEKLY ECONOMIC SITUATION REPORT: MAY 29-JUNE 4, 1974  
**TAGS:** ECON, LA  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005